

Investing in Canada

See further,
think bolder.

WHY CANADA?

- > Proven stability
- > Sustained growth
- > Energy diversity
- > Financial oversight

Canada is **often overlooked or compared** to its southern neighbour, despite its highly distinctive economy.

Canada is world-renowned for its economic, **political and financial stability**. In fact, Canada has seen very little impact from the frequent financial crises since 2008.

Canada is also the **G7** country with the **fastest-growing economy**, underpinned by a **rapid population increase** driving the country's development.

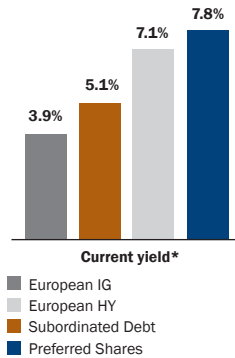
Unlike its neighbour to the South or Europe, Canada is blessed with **unparalleled energy diversity** and security, with the energy mix including oil, gas, hydroelectricity, and wind.

Canada is one of the few countries to have maintained **its perfect AAA rating over the past 20 years**, despite the Global Financial Crisis of 2008, the oil crisis of 2014, the pandemic of 2020 and the recent war in Ukraine.

In Canada, preferred shares are special securities that pay a dividend with a five-year reset. They are a source of diversification for European investors.

Attractive returns and controlled risk

A study of correlations since 2012 shows that preferred shares can bolster portfolio returns and reduce overall risk.



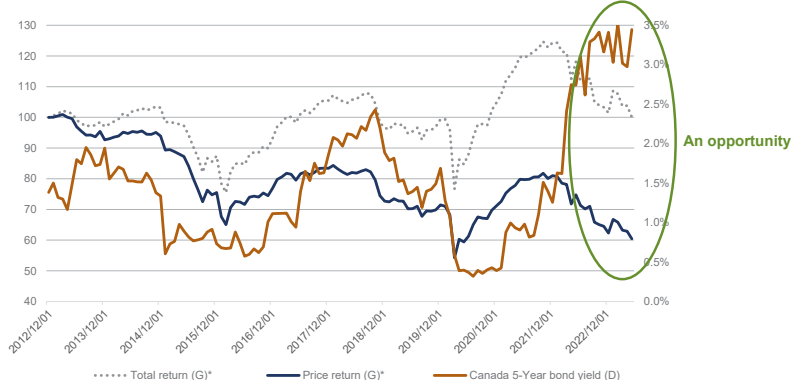
| | Preferred Shares | European Sovereign | European HY | European IG | Subordinated Debt | U.S. HY |
|--------------------|------------------|--------------------|-------------|-------------|-------------------|---------|
| Preferred Shares | | (0.8) | (0.5) | (0.7) | (0.6) | (0.7) |
| European Sovereign | (0.3) | | 0.9 | 1.0 | 1.0 | 0.9 |
| European HY | (0.1) | 0.9 | | 0.9 | 1.0 | 0.9 |
| European IG | (0.2) | 1.0 | 1.0 | | 1.0 | 1.0 |
| Subordinated Debt | (0.1) | 1.0 | 1.0 | 1.0 | | 0.9 |
| U.S. HY | 0.1 | 0.9 | 1.0 | 0.9 | 1.0 | |

Sources: Bloomberg as at February 28, 2023 - * Yields are in local currency

Investment opportunities

Preferred shares are currently trading at historic lows levels, which would represent a **real investment opportunity***. According to OGF's analysis, quality issuers can improve a portfolio's resilience.

CHANGES IN PRICE COMPARED TO THE CANADA 5-YEAR BOND YIELD

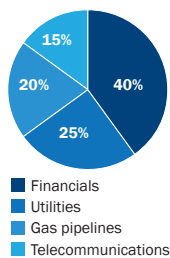


Sources: Bloomberg as of May 31, 2023 - * Canadian Preferred Share Index (CPD adjusted)
* The opportunity is not financial advice

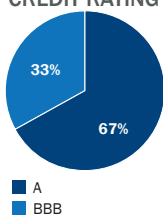
Our funds

Launch of a FIA (*Fonds d'investissement alternatif – Alternative investment fund*) in 2024 investing in Canadian preferred shares

SECTOR ALLOCATION



ALLOCATION BY ISSUER CREDIT RATING



Portfolio:

- > **Diversified** portfolio
- > Companies regarded as very solid (investment grade rating)
- > A dividend that moves with interest rates

Currently on offer: 5 OPCVM (*Organismes de placement collectif en valeurs mobilières – Open-end investment funds*) As at June 30, 2023

MUTUAL FUNDS (NET OF MANAGEMENT FEES, IN %)

Past performance is not indicative of future results.

| Name | Inception date | 2023 | 2022 | 2021 | 2020 | 10 years** |
|---|----------------|------|-------|------|------|------------|
| Optimum Equity - European equities | 1999/01/15 | 10.6 | -23.3 | 25.9 | 9.2 | 71.3 |
| Optimum International Equity - Global equities | 1999/01/15 | 10.2 | -19.6 | 25.7 | 5.8 | 85.5 |
| Optimum Bond - Eurozone bonds | 1999/01/15 | 0.9 | -10.4 | -1.6 | -0.3 | -0.4 |
| Optimum Private Wealth - Global equities and eurozone bonds | 1989/03/23 | 6.3 | -15.8 | 15.2 | 3.8 | 49.8 |
| Optimum Canadian Equity (R) | 2013/06/01 | 6.3 | -9.7 | 24.7 | 2.6 | n.a.* |

Source: OGF, Net asset values

* Optimum Canadian Equity (R) was launched on June 21, 2013, and has returned 39.5% over nine years.

** The 10-year performances are those achieved between December 31, 2012, and December 31, 2022.

***The fund is denominated in Canadian dollars (\$ CAD). Returns may increase or decrease due to currency fluctuations.



MARKET STRATEGY-RELATED RISKS

Discretionary Management Risk:

Discretionary asset management involves anticipating the evolution of different markets (stocks, bonds...). There is a risk that the funds may not be always invested in the most performing markets.

Equity Risk:

Due to their investment strategy, the funds may be significantly exposed to equity risk; thus, in the event of a stock market downturn, the net asset value of the funds may decrease.

Capital Loss Risk:

Risk that the invested capital may not be fully recovered when selling a security at a price lower than the purchase price, as the funds do not provide any guarantees.

Foreign Exchange Risk:

Impact on the foreign exchange position due to fluctuations in a currency relative to the reference currency.

There is a foreign exchange risk for French residents due to the portfolio composition, which may include securities denominated in currencies other than the euro.

Interest Rate Risk:

The funds may be subject to interest rate risk at any time. Therefore, in the event of an increase in interest rates, their net asset value may decrease.

Credit Risk:

The funds may be exposed to credit risk on issuers at any time. In the event of a deterioration in their situation or default, the value of debt securities may decrease, leading to a decrease in net asset value.

Why should you be interested in Canadian preferred shares?

The valuation of preferred shares is usually **positively correlated with interest rates**. According to OGF's analyses, high-quality issuers **can improve a portfolio's resilience** in times of crisis.

Challenging investment environment in Europe

- > Sustained inflationary pressure
- > Rate increases

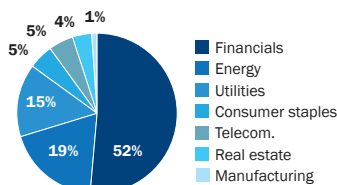
Characteristics of an asset class adapted to this environment

- > Substantial yield (between 6% and 9%)
- > Positive correlation with interest rates
- > Issuer with higher credit quality

| | |
|--------------------------|--|
| Market size | CA \$46 billion |
| Maturity | Five-year reset |
| Asset class | Preferred shares |
| Structure | Rate reset every 5 years: Canada 5-Year bond yield + Credit spread Conversion right to variable or fixed rate |
| Rank | Junior to bonds. Senior to common shares |
| Par value | CA \$25 |
| Type of investor | Individual & institutional investors |
| Means of transaction | Liquidity/secondary market: Continuous trading |
| Redemption option at par | At each reset date |
| Distributions | Dividends generally cumulative except for financial institutions |
| Frequency | Quarterly |

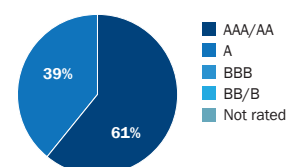
Universe of Canadian preferred equities

SECTOR ALLOCATION



50 issuers, CA \$46 billion outstanding

ALLOCATION BY ISSUER CREDIT RATING



99% of preferred shares are issued by high-quality issuers (investment grade)

Issuer size

| | |
|---|-----------------|
| Capitalization of the 10 largest equity issuers | \$9,006 billion |
| Canadian market capitalization (S&P/TSX) | \$3,575 billion |

Large capitalization issuers

BCE

Bell Canada Enterprises Inc. (BCE:CN)

Canadian telecommunications and media company

Credit quality: BBB+ (S&P), Baa2 (Moody's), BBB (DBRS)

ATTRACTIVE RELATIVE VALUE

| Example: BCE Inc. (BCE) | Rate | Spreads |
|----------------------------|-------|----------|
| 30-year BCE debt | 5.30% | +217 bps |
| Canadian High Yield* | 8.51% | +435 bps |
| Preferred shares** Actions | 8.93% | +566 bps |

* Bloomberg Canadian High Yield Index, HC00 Index with 7-year duration

**BCE K, Price \$14.04, Canada 5-Year margin + 188 bps

RELATIVE VALUE VERSUS EUROPEAN MARKET

| | Rate | Spreads |
|-----------------------------------|-------|----------|
| Orange perpetual bond (call 2029) | 5.46% | +239 bps |
| European High Yield (HE00 Index) | 7.10% | +400 bps |

Source: Bloomberg - Data as of February 28, 2023

OPTIMUM FINANCIAL GROUP

Key figures

645 employees across Canada, the United States and France

Over 730 million euros in annual sales

Nearly 5.2 billion euros in assets under management in Canada, the United States and France

WHY OPTIMUM GESTION FINANCIÈRE?

Optimum Gestion Financière S.A. (OGF) is an asset management subsidiary of Canadian parent company Optimum Financial Group, a privately-owned and diversified international company dedicated to accompanying financially its clients since 1969.

Headquartered in France since 1990, OGF manages a range of mutual funds for institutional and private investors.

We are one of the only French asset management companies to offer actively managed funds exclusively

comprised of Canadian equities, both common and preferred, in France.

We manage close to 400 million euros in assets, divided between 5 OPCVM, 2 FIAs and mandates.

While Optimum Gestion financière maintains its decision-making independence, it combines its talents with those of its sister companies, Optimum Investment Management in Canada and Optimum Quantvest in the United States.

Together, the asset management subsidiaries have over 8 billion Canadian dollars in assets under managements.

Our team favours a management philosophy that aims at better preserve capital when markets are down and creates long-term value, through innovative technological tools.

Each member of our asset management team utilizes both qualitative and quantitative analyses to make decisions in line with clients' expectations.

Important notice: This document is for finance professionals only. The content of this document is for informational purposes only and should not be construed as an invitation to invest, a solicitation or financial advice. This writing should not be considered as a public offering or an invitation to invest in financial or insurance products. Optimum Gestion financière reminds readers that past performance is not indicative of future results, and recommends that they take the time necessary to determine the allocation of their assets in general, and their financial assets in particular, taking into account their objectives, constraints and investment horizon, while diversifying their investments.

OPTIMUM GESTION FINANCIÈRE S.A.

94, rue de Courcelles - 75008 Paris, FRANCE

+33 1 44 15 81 81

info@optimumgam.fr

www.optimumgam.fr/en

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Insurance

Life Reinsurance

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